

EAST UNION COMMUNITY SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS

JUNE 30, 2008

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East Union Community School District

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
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Board of Education (Before September 2007 Election)

Lynn Kruse	President	2007
Shannon Harper	Vice President	2008
David Waigand	Board Member	2008
Kenneth Hagen	Board Member	2009
Sarah Long	Board Member	2009

Board of Education (After September 2007 Election)

Lynn Kruse	President	2010
Shannon Harper	Vice President	2008
David Waigand	Board Member	2008
Kenneth Hagen	Board Member	2009
Sarah Long	Board Member	2009

School Officials

Steve Clark	Superintendent	2008
Kay Vaughn	Co-Board Treasurer	2008
Billie Jo Greene	Business Manager, Board Secretary & Co-Board Treasurer	2008
Belin Lamson	Attorney	2008

NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
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Telephone (641) 792-1910

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the
East Union Community School District:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of East Union Community School District, Afton, Iowa, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of East Union Community School District at June 30, 2008, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated February 16, 2009 on our consideration of East Union Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 4 through 12 and 31 through 32 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board.

Members American Institute & Iowa Society of Certified Public Accountants

We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise East Union Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for four years ended June 30, 2007 (none of which are presented herein) and expressed an unqualified opinion on those financial statements. Other supplemental information included in Schedules 1 through 6 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


NOLTE, CORNMAN & JOHNSON, P.C.

February 16, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

East Union Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2008. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2008 FINANCIAL HIGHLIGHTS

- General Fund revenues decreased from \$4,933,524 in fiscal 2007 to \$4,919,939 in fiscal 2008, while General Fund expenditures increased from \$4,656,784 in fiscal 2007 to \$5,157,788 in fiscal 2008. This resulted in a decrease in the District's General Fund balance from \$1,431,313 in fiscal 2007 to \$1,193,464 in fiscal 2008, a 16.62% decrease from the prior year.
- The decrease in General Fund revenues was attributable to a decrease in local tax in fiscal 2008. The increase in expenditures was due primarily to an increase in regular instructional services.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of East Union Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report East Union Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which East Union Community School District acts solely as an agent or custodial for the benefit of those outside of the School District.

Notes to the financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year.

Other Supplementary Information provides detailed information about the non-major funds.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

Figure A-1
East Union Community School District Annual Financial Report

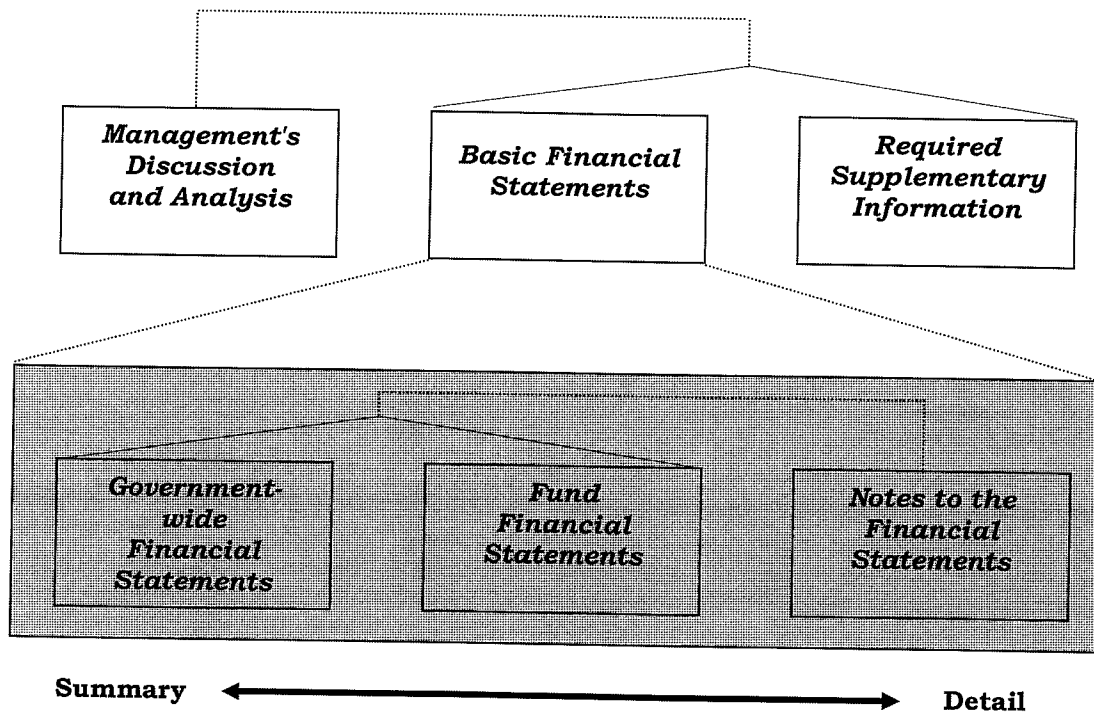


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2

Major Features of the Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of revenues, expenses and changes in net assets • Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report the District's net assets and how they have changed. Net assets – the difference between the District's assets and liabilities – are one way to measure the District's financial health or position. Over time, increases or decreases in the District's net assets are an indicator of whether financial position is improving or deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business-type activities:* The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds or to show that it is properly using certain revenues such as federal grants.

The District has two kinds of funds:

- 1) *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District's governmental funds include the General Fund, Special Revenue Funds, Capital Projects and Debt Service Fund.

The required financial statements for the governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

- 2) *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide

financial statements. The District's enterprise funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The District currently has one enterprise fund, the School Nutrition Fund.

The required financial statements for the proprietary funds include a statement of revenues, expenses and changes in net assets and a statement of cash flows.

Reconciliation between the government-wide financial statements and the fund financial statements follow the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's total net assets at June 30, 2008 compared to June 30, 2007.

Figure A-3
Condensed Statement of Net Assets

	Governmental Activities		Business-type Activities		Total School District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2008	2007	2008	2007	2008	2007	2007-08
Current and other assets	\$ 3,660,980	4,236,460	(3,775)	19,383	3,657,205	4,255,843	-14.07%
Capital assets	2,713,233	2,094,449	15,061	16,936	2,728,294	2,111,385	29.22%
Total assets	6,374,213	6,330,909	11,286	36,319	6,385,499	6,367,228	0.29%
Long-term obligations	936,215	1,107,379	0	0	936,215	1,107,379	-15.46%
Other liabilities	1,570,425	1,583,648	3,363	3,972	1,573,788	1,587,620	-0.87%
Total liabilities	2,506,640	2,691,027	3,363	3,972	2,510,003	2,694,999	-6.86%
Net assets:							
Invested in capital assets, net of related debt	1,783,233	999,449	15,061	16,936	16,936	1,016,385	-98.33%
Restricted	787,212	755,833	0	0	787,212	755,833	4.15%
Unrestricted	1,297,128	1,884,600	(7,138)	15,411	1,289,990	1,900,011	-32.11%
Total net assets	\$ 3,867,573	3,639,882	7,923	32,347	3,875,496	3,672,229	5.54%

The District's combined net assets increased by 5.54% or \$203,267 over the prior year. A portion of the District's net assets is the invested in capital assets, less the related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets.

Restricted net assets represent resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. The District's restricted net assets increased \$31,379 or 4.15% over the prior year. The increase was primarily due to the increase in the reserved fund balances of the special programs within the General Fund.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraint established by debt covenants, enabling legislation, or the legal requirement - decreased \$610,021 or 32.11%. This was due to increased expenses in the General Fund and Nutrition Fund.

Figure A-4 shows the changes in the District's net assets for the year ended June 30, 2008, compared to June 30, 2007.

Figure A-4 Changes of Net Assets							
	Governmental Activities		Business-type Activities		Total School District		Total Change
	2008	2007	2008	2007	2008	2007	2007-08
Revenues:							
Program revenues:							
Charges for services	\$ 313,691	449,838	111,470	121,536	425,161	571,374	-25.59%
Operating grants and contributions and restricted interest	1,005,535	792,110	105,919	109,280	1,111,454	901,390	23.30%
Capital grants and contributions and restricted interest	0	26,949	0	0	0	26,949	-100.00%
General revenues:							
Property tax	1,561,126	1,793,606	0	0	1,561,126	1,793,606	-12.96%
Local option sales and service tax	381,945	402,658	0	0	381,945	402,658	-5.14%
Unrestricted state grants	2,260,982	2,034,826	0	0	2,260,982	2,034,826	11.11%
Unrestricted interest	68,813	127,914	119	272	68,932	128,186	-46.23%
Other general revenue	59,281	63,576	0	0	59,281	63,576	-6.76%
Total revenues	5,651,373	5,691,477	217,508	231,088	5,868,881	5,922,565	-0.91%
Program expenses:							
Governmental activities:							
Instructional	3,536,917	3,372,165	0	0	3,536,917	3,372,165	4.89%
Support services	1,544,023	1,426,676	0	0	1,544,023	1,426,676	8.23%
Non-instructional programs	0	0	241,932	238,987	241,932	238,987	1.23%
Other expenses	342,742	258,888	0	0	342,742	258,888	32.39%
Total expenses	5,423,682	5,057,729	241,932	238,987	5,665,614	5,296,716	6.96%
Changes in net assets	227,691	633,748	(24,424)	(7,899)	203,267	625,849	-67.52%
Net assets beginning of year	3,639,882	3,006,134	32,347	40,246	3,672,229	3,046,380	20.54%
Net assets end of year	\$ 3,867,573	3,639,882	7,923	32,347	3,875,496	3,672,229	5.54%

Property tax and unrestricted state grants account for 65.12% of the total revenue. The District's expenses primarily relate to instruction and support services that account for 89.68% of the total expenses.

Governmental Activities

Revenues for governmental activities were \$5,651,373 and expenses were \$5,423,682.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services and other expenses.

Figure A-5 Total and Net Cost of Governmental Activities						
	Total Cost of Services			Net Cost of Services		
	2008	2007	Change 2007-08	2008	2007	Change 2007-08
Instruction	\$ 3,536,917	3,372,165	4.89%	2,396,663	2,293,252	4.51%
Support services	1,544,023	1,426,676	8.23%	1,544,023	1,426,676	8.23%
Other expenses	342,742	258,888	32.39%	163,770	68,904	137.68%
Totals	\$ 5,423,682	5,057,729	7.24%	4,104,456	3,788,832	8.33%

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- The cost financed by users of the District's programs was \$313,691.
 - Federal and state governments subsidized certain programs with grants and contributions totaling \$1,005,535.
 - The net cost of governmental activities was financed with \$1,561,126 in local tax, \$381,945 in local option sales and service tax, \$2,260,982 in unrestricted state grants, \$68,813 in interest income and \$59,281 in other general revenue.

Business-Type Activities

Revenues of the District's business-type activities were \$217,508 and expenses were \$241,932. The District's business-type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

INDIVIDUAL FUND ANALYSIS

As previously noted, the East Union Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balance of \$1,907,582 decreased from last year's ending fund balances of \$2,480,129. The primary reason for the decrease was the decrease in the fund balances of the General Fund and Capital Projects Fund.

Governmental Fund Highlights

- The District's General Fund balance decreased from \$1,431,313 on June 30, 2007 to \$1,193,464 on June 30, 2008. The fluctuation in the District's General Fund financial position is the product of many factors. A decrease in the local and federal sources revenue during the year resulted in an decrease in total revenues. An increase in instructional and support service expenditures increased the total expenditures for the year. However, expenses exceeding revenues ensured the decrease in the Districts financial position.
- The Management fund balance increased from \$18,363 in 2007, to \$38,320 in 2008, due to the increase in local tax sources of revenue.
- The Physical Plant and Equipment Levy (PPEL) fund balance decreased from \$47,443 to \$3,297, due in part to increase in transportation support services expenditures.
- The Capital Projects fund balance decreased during the current year, from \$511,479 to \$217,109. The Capital Projects fund also includes Capital Projects funds for a track and playground. A decrease in other local and federal sources of revenue decreased total revenues for the year.

Proprietary Fund Highlights

The School Nutrition Fund net assets decreased from \$32,347 at June 30, 2007 to \$7,923 at June 30, 2008, representing a decrease of 75.51%.

BUDGETARY HIGHLIGHTS

The District's revenues were \$346,589 less than budgeted revenues, a variance of 5.58%. The most significant variances resulted from the District receiving less in local and federal sources than originally anticipated.

Total expenditures were less than budgeted, primarily to the District's budget for the General Fund. It is not the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District's budget is developed utilizing realistic projections of revenues and expenditures. The district then manages or controls General Fund spending through its line-item budget. In situations where revenues exceed projections, and expenditures do not exceed spending authority, the Board may take action to amend the budget authorizing additional expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2008, the District had invested \$2,728,294, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This amount represents a net increase of 29.22% from last year. More detailed information about capital assets is available in Note 5 to the financial statements. Depreciation expense for the year was \$141,337.

Figure A-6
Capital Assets, Net of Depreciation

	Governmental Activities		Business-type Activities		Total School District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2008	2007	2008	2007	2008	2007	2007-08
Land	\$ 14,205	14,205	0	0	14,205	14,205	0.00%
Construction in progress	412,599	33,649	0	0	412,599	33,649	1126.19%
Buildings	1,832,128	1,809,723	0	0	1,832,128	1,809,723	1.24%
Land improvements	109,726	70,743	0	0	109,726	70,743	55.11%
Machinery and equipment	344,575	166,129	15,061	16,936	359,636	183,065	96.45%
Total	\$ 2,713,233	2,094,449	15,061	16,936	2,728,294	2,111,385	29.22%

The original cost of the District's capital assets was \$5,474,441. Governmental funds account for \$5,426,754 with the remainder of \$47,687 in the Proprietary, School Nutrition Fund.

The largest percentage change in capital asset activity during the year occurred in the land improvements and construction in progress categories. The land improvements totaled \$109,726 at June 30, 2008, compared to \$70,743 reported at June 30, 2007. The construction in progress totaled \$412,599 at June 30, 2008, compared to \$33,649 reported at June 30, 2007. The increase resulted from the construction of playground equipment and construction of a walking trail made during the current year.

Long-Term Debt

At June 30, 2008, the District had long-term debt outstanding of \$936,215 in general obligation bonds and compensated absences (See Figure A-7) More detailed information about the District's long-term liabilities is available in Note 6 to the financial statements.

The general obligation bonds, which are being paid from the Capital Project Fund, have a balance of \$930,000 as of June 30, 2008. Of this balance, \$170,000 of principal is due next year.

The District, at year end, had compensated absences of \$6,215, which are payable from the General Fund.

Figure A-7
Outstanding Long-Term Obligations

	Total School District		Total Change
	June 30,		June 30,
	2008	2007	2007-08
General obligation bonds	\$ 930,000	1,095,000	-15.1%
Early retirement	0	7,536	-100.0%
Compensated absences	6,215	4,843	28.3%
Total	<u>\$ 936,215</u>	<u>1,107,379</u>	<u>-15.5%</u>

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future:

- Low allowable growth over several years and enrollment decreases may negatively impact the District's spending authority. Contractual increases and program changes cannot be made without thorough consideration of our unspent authorized budget. The district's cash balance will support short term funding shortfalls from the state.
- Continued budget concerns at state level will affect future projections. The District has been forced to shift funding to property taxes.
- The budget guarantee (whereby Districts are guaranteed 100% of their current budget for the upcoming year) is being phased out over a ten-year period which started in fiscal year 2005.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Billie Jo Greene, District Board Secretary/Treasurer, East Union Community School District, 1916 High School Drive, Afton, Iowa, 50830.

BASIC FINANCIAL STATEMENTS

EAST UNION COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and pooled investments	\$ 1,833,717	1,957	1,835,674
Receivables:			
Property tax:			
Delinquent	31,172	0	31,172
Succeeding year	1,386,586	0	1,386,586
Income surtax	198,777	0	198,777
Accounts	38,129	51	38,180
Interfund	8,533	(8,533)	0
Due from other governments	164,066	0	164,066
Inventories	0	2,750	2,750
Capital assets, net of accumulated depreciation(Note 5)	2,713,233	15,061	2,728,294
TOTAL ASSETS	6,374,213	11,286	6,385,499
LIABILITIES			
Accounts payable	119,432	0	119,432
Salaries and benefits payable	20,420	0	20,420
Interest payable	15,804	0	15,804
Deferred revenue:			
Succeeding year property tax	1,386,586	0	1,386,586
Other	28,183	0	28,183
Unearned revenue	0	3,363	3,363
Long-term liabilities(Note 6):			
Portion due within one year:			
General obligation bonds	170,000	0	170,000
Compensated absences	6,215	0	6,215
Portion due after one year:			
General obligation bonds	760,000	0	760,000
TOTAL LIABILITIES	2,506,640	3,363	2,510,003
NET ASSETS			
Invested in capital assets, net of related debt	1,783,233	15,061	1,798,294
Restricted for:			
Debt Service	342,866	0	342,866
Talented and gifted	67,158	0	67,158
Tobacco Settlement	488	0	488
Statewide voluntary preschool program	5,138	0	5,138
Market factor incentives	310	0	310
Capital projects	217,109	0	217,109
Physical plant and equipment levy	3,297	0	3,297
Management levy	38,320	0	38,320
Other special revenue purposes	112,526	0	112,526
Unrestricted	1,297,128	(7,138)	1,289,990
TOTAL NET ASSETS	\$ 3,867,573	7,923	3,875,496

SEE NOTES TO FINANCIAL STATEMENTS

EAST UNION COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
	Expenses	Charges for Services	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business-Type Activities	
Functions/Programs						
Governmental activities:						
Instruction:						
Regular instruction	\$ 2,144,514	94,981	703,280	(1,346,253)	0	(1,346,253)
Special instruction	641,748	0	26,664	(615,084)	0	(615,084)
Other instruction	750,655	218,710	96,619	(435,326)	0	(435,326)
	3,536,917	313,691	826,563	(2,396,663)	0	(2,396,663)
Support services:						
Student services	81,821	0	0	(81,821)	0	(81,821)
Instructional staff services	156,977	0	0	(156,977)	0	(156,977)
Administration services	515,136	0	0	(515,136)	0	(515,136)
Operation and maintenance of plant services	445,812	0	0	(445,812)	0	(445,812)
Transportation services	344,277	0	0	(344,277)	0	(344,277)
	1,544,023	0	0	(1,544,023)	0	(1,544,023)
Other expenditures:						
Long-term debt interest	31,608	0	0	(31,608)	0	(31,608)
AEA flowthrough	178,972	0	178,972	0	0	0
Depreciation(unallocated)*	132,162	0	0	(132,162)	0	(132,162)
	342,742	0	178,972	(163,770)	0	(163,770)
Total governmental activities	5,423,682	313,691	1,005,535	(4,104,456)	0	(4,104,456)
Business-Type activities:						
Non-instructional programs:						
Nutrition services	241,932	111,470	105,919	0	(24,543)	(24,543)
Total business-type activities	241,932	111,470	105,919	0	(24,543)	(24,543)
Total	\$ 5,665,614	425,161	1,111,454	(4,104,456)	(24,543)	(4,128,999)
General Revenues:						
Property tax levied for:						
General purposes				\$ 1,526,211	0	1,526,211
Capital outlay				34,915	0	34,915
Local option sales and service tax				381,945	0	381,945
Unrestricted state grants				2,260,982	0	2,260,982
Unrestricted investment earnings				68,813	119	68,932
Other general revenues				59,281	0	59,281
Total general revenues				4,332,147	119	4,332,266
Changes in net assets				227,691	(24,424)	203,267
Net assets beginning of year				3,639,882	32,347	3,672,229
Net assets end of year				\$ 3,867,573	7,923	3,875,496

* This amount excludes the depreciation that is included in the direct expense of various programs

SEE NOTES TO FINANCIAL STATEMENTS

EAST UNION COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	General	Capital Projects	Other Nonmajor Governmental Funds	Total
ASSETS				
Cash and pooled investments	\$ 1,159,193	180,217	494,307	1,833,717
Receivables:				
Property tax				
Delinquent	28,054	0	3,118	31,172
Succeeding year	1,253,755	0	132,831	1,386,586
Income surtax	198,777	0	0	198,777
Accounts	37,545	0	584	38,129
Interfund	8,533	0	0	8,533
Due from other governments	98,673	65,393	0	164,066
TOTAL ASSETS	\$ 2,784,530	245,610	630,840	3,660,980
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 89,931	28,501	1,000	119,432
Salaries and benefits payable	20,420	0	0	20,420
Deferred revenue:				
Succeeding year property tax	1,253,755	0	132,831	1,386,586
Income surtax	198,777	0	0	198,777
Other	28,183	0	0	28,183
Total liabilities	1,591,066	28,501	133,831	1,753,398
Fund balances:				
Reserved for:				
Debt service	0	0	342,866	342,866
Talented and gifted	67,158	0	0	67,158
Tobacco settlement	488	0	0	488
Statewide voluntary preschool program	5,138	0	0	5,138
Market factor incentives	310	0	0	310
Unreserved:				
General	1,120,370	0	0	1,120,370
Capital projects	0	217,109	0	217,109
Physical plant and equipment levy	0	0	3,297	3,297
Management levy	0	0	38,320	38,320
Other special revenue	0	0	112,526	112,526
Total fund balances	1,193,464	217,109	497,009	1,907,582
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,784,530	245,610	630,840	3,660,980

SEE NOTES TO FINANCIAL STATEMENTS

EAST UNION COMMUNITY SCHOOL DISTRICT
 RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET ASSETS
 JUNE 30, 2008

Total fund balances of governmental funds (page 15)	\$ 1,907,582
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in in the governmental funds.	2,713,233
Accrued interest payable in long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(15,804)
Accounts receivable income surtax, are not yet available to finance expenditures of the current fiscal period.	198,777
Long-term liabilities, including bonds payable, compensated absences payable, and early retirement are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	(936,215)
Net assets of governmental activites (page 13)	<u><u>\$ 3,867,573</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

EAST UNION COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008

	General	Capital Projects	Other Nonmajor Governmental Funds	Total
REVENUES:				
Local sources:				
Local tax	\$ 1,423,691	0	130,115	1,553,806
LOSST	0	381,945	0	381,945
Tuition	94,981		0	94,981
Other	231,369	60,612	151,442	443,423
State sources	2,852,537	0	0	2,852,537
Federal sources	317,361	0	0	317,361
Total revenues	4,919,939	442,557	281,557	5,644,053
EXPENDITURES:				
Current:				
Instruction:				
Regular instruction	2,141,111	0	47,043	2,188,154
Special instruction	641,748	0	0	641,748
Other instruction	598,874	243	151,538	750,655
	3,381,733	243	198,581	3,580,557
Support services:				
Student services	70,518	0	15,071	85,589
Instructional staff services	156,977	0	0	156,977
Administration services	500,241	0	13,523	513,764
Operation and maintenance of plant services	376,368	0	79,571	455,939
Transportation services	492,979	0	0	492,979
	1,597,083	0	108,165	1,705,248
Other expenditures:				
Facilities acquisitions	0	552,245	0	552,245
Long-term debt:				
Principal	0	0	165,000	165,000
Interest	0	0	34,578	34,578
AEA flowthrough	178,972	0	0	178,972
	178,972	552,245	199,578	930,795
Total expenditures	5,157,788	552,488	506,324	6,216,600
Deficiency of revenues under expenditures	(237,849)	(109,931)	(224,767)	(572,547)
Other financing sources(uses):				
Transfers in	0	152,741	184,439	337,180
Transfers out	0	(337,180)	0	(337,180)
Total other financing sources(uses)	0	(184,439)	184,439	0
Net change in fund balances	(237,849)	(294,370)	(40,328)	(572,547)
Fund balance beginning of year	1,431,313	511,479	537,337	2,480,129
Fund balance end of year	\$ 1,193,464	217,109	497,009	1,907,582

SEE NOTES TO FINANCIAL STATEMENTS

EAST UNION COMMUNITY SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2008

Net change in fund balances - total governmental funds(page 17) \$ (572,547)

*Amounts reported for governmental activities in the
 statement of activities are different because:*

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Assets and are allocated over their useful lives as depreciation expense in the Statement of Activities. Capital outlays expenditures and depreciation expense in the current year are as follows:

Capital expenditures	\$ 758,246	
Depreciation expense	<u>(139,462)</u>	618,784

Repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets. 165,000

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. 2,970

Income surtax account receivable is not available to finance expenditures of the current year period in the governmental funds. 7,320

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.

Early retirement	\$ 7,536	
Compensated absences	<u>(1,372)</u>	<u>6,164</u>

Changes in net assets of governmental activities(page 14) \$ 227,691

SEE NOTES TO FINANCIAL STATEMENTS

EAST UNION COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2008

	<u>School Nutrition</u>
ASSETS	
Cash and cash equivalents	\$ 1,957
Accounts receivable	51
Inventories	2,750
Capital assets, net of accumulated depreciation(Note 5)	<u>15,061</u>
TOTAL ASSETS	<u>19,819</u>
LIABILITIES	
Interfund payable	8,533
Unearned revenues	<u>3,363</u>
TOTAL LIABILITES	<u>11,896</u>
NET ASSETS	
Invested in capital assets	15,061
Unrestricted	<u>(7,138)</u>
TOTAL NET ASSETS	<u><u>\$ 7,923</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

EAST UNION COMMUNITY SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUND
 YEAR ENDED JUNE 30, 2008

	<u>School Nutrition</u>
OPERATING REVENUE:	
Local sources:	
Charges for services	\$ 110,594
Other local revenue	876
TOTAL OPERATING REVENUES	<u>111,470</u>
OPERATING EXPENSES:	
Non-instructional programs:	
Food service operations:	
Salaries	119,311
Benefits	17,594
Supplies	103,002
Other	150
Depreciation	1,875
TOTAL OPERATING EXPENSES	<u>241,932</u>
OPERATING LOSS	<u>(130,462)</u>
NON-OPERATING REVENUES:	
Interest	119
State sources	2,693
Federal sources	103,226
TOTAL NON-OPERATING REVENUES	<u>106,038</u>
Change in net assets	(24,424)
Net assets at beginning of year	<u>32,347</u>
Net assets end of year	<u><u>\$ 7,923</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

EAST UNION COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2008

	<u>School Nutrition</u>
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 110,730
Cash received from miscellaneous operating activities	876
Cash payments to employees for services	(137,047)
Cash payments to suppliers for goods or services	(90,933)
Net cash used in operating activities	<u>(116,374)</u>
Cash flows from non-capital financing activities:	
Borrowings from General Fund	8,533
State grants received	2,693
Federal grants received	91,968
Net cash provided by non-capital financing activities	<u>103,194</u>
Cash flows from investing activities:	
Interest on investments	<u>119</u>
Net decrease in cash and cash equivalents	(13,061)
Cash and cash equivalents at beginning of year	<u>15,018</u>
Cash and cash equivalents at end of year	<u>\$ 1,957</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (130,462)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Commodities consumed	11,258
Depreciation	1,875
Decrease in inventories	1,615
Increase in accounts receivables	(51)
Decrease in accounts payable	(654)
Decrease in salaries and benefits payable	(142)
Increase in unearned revenue	187
Net cash used in operating activities	<u>\$ (116,374)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS AT YEAR END TO SPECIFIC ASSETS INCLUDED ON COMBINED BALANCE SHEET:	
Current assets:	
Cash and pooled investments	<u>\$ 1,957</u>

NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

During the year ended June 30, 2008, the District received Federal commodities valued at \$11,258.

SEE NOTES TO FINANCIAL STATEMENTS

EAST UNION COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

(1) **Summary of Significant Accounting Policies**

The East Union Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the City of Afton, Iowa, and the predominate agricultural territory in Union, Madison, Ringgold, and Clarke Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, East Union Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. The East Union Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Union, Madison, Ringgold, and Clarke County Assessors' Conference Board.

B. Basis of Presentation

Government-wide financial statements - The Statement of Net Assets and the Statement of Activities report information on all of the non-fiduciary activities of the District. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Assets presents the District's Non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net assets use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net asset consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the Government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other non-major governmental funds.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenses, including instructional, support and other costs.

The Capital Projects Fund is used to account for all resources used in the acquisition of capital facilities.

The District's proprietary fund is the School Nutrition Fund. The School Nutrition Fund is used to account for the food service operations of the District.

C. Measurement Focus and Basis of Accounting

The government-wide and the proprietary fund financial statements are reported using the "economic resources measurement focus" and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of

related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

The proprietary fund of the District applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared

by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Balances

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents - The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, they have a maturity date no longer than three months.

Property Tax Receivable - Property tax in the governmental funds are accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the Government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2006 assessed property valuations; is for the tax accrual period July 1, 2007 through June 30, 2008 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2007.

Due from Other Governments - Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories - Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets - Capital assets, which include property, machinery, and equipment, are reported in the applicable governmental or business-type activities columns in the

government-wide statement of net assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Land	\$ 1,500
Buildings	1,500
Improvements other than buildings	1,500
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	1,500

Capital assets are depreciated using the straight line method of depreciation over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Buildings	50 years
Improvements other than buildings	20 years
Machinery and equipment	5-12 years

Salaries and Benefits Payable - Payroll and related expenditures for annual contracts corresponding to the current school year, which is payable in July and August, have been accrued as liabilities.

Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivables and other receivables not collected within sixty days after year end.

Deferred revenue on the statement of net assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Unearned Revenue - Unearned revenues are monies collected for lunches that have not yet been served. The lunch account balances will either be reimbursed or served lunches. The lunch account balances are reflected on the Statement of Net Assets in the Proprietary, School Nutrition Fund.

Compensated Absences - District employees accumulate a limited amount of earned but unused vacation for subsequent

use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2008. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Long-term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets.

Fund Balances - In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Restricted Net Assets - In the Government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

E. Budgeting and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

(2) **Cash and Pooled Investments**

The District's deposits at June 30, 2008 were entirely covered by federal depository insurance or State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The District had investments in the Iowa Schools Joint Investment Trust as follows:

	Amortized Cost
Diversified Portfolio	\$ 1,366,670

The investments are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

(3) Interfund Receivables and Payables

The detail of interfund receivables and payables at June 30, 2008 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nutrition Fund	<u>\$ 8,533</u>

Nutrition Fund owes the General Fund for overpayments. These should be paid back in fiscal year 2009.

(4) Transfers

The detail of transfers for the year ended June 30, 2008 is as follows:

Transfer to	Transfer from	Amount
Debt Service	Capital Projects	\$ 184,439
Track Capital Projects	Capital Projects	<u>152,741</u>
Total		<u>\$ 337,180</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

(5) Capital Assets

Capital assets activity for the year ended June 30, 2008 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 14,205	0	0	14,205
Construction in progress	33,649	418,200	39,250	412,599
Total capital assets not being depreciated	<u>47,854</u>	<u>418,200</u>	<u>39,250</u>	<u>426,804</u>
Capital assets being depreciated:				
Buildings	3,644,037	138,051	0	3,782,088
Land improvements	145,398	55,499	0	200,897
Machinery and equipment	919,314	185,746	88,095	1,016,965
Total capital assets being depreciated	<u>4,708,749</u>	<u>379,296</u>	<u>88,095</u>	<u>4,999,950</u>
Less accumulated depreciation for:				
Buildings	1,834,314	115,646	0	1,949,960
Land improvements	74,655	16,516	0	91,171
Machinery and equipment	753,185	7,300	88,095	672,390
Total accumulated depreciation	<u>2,662,154</u>	<u>139,462</u>	<u>88,095</u>	<u>2,713,521</u>
Total capital assets being depreciated, net	<u>2,046,595</u>	<u>239,834</u>	<u>0</u>	<u>2,286,429</u>
Governmental activities capital assets, net	<u>\$ 2,094,449</u>	<u>658,034</u>	<u>39,250</u>	<u>2,713,233</u>

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-type activities:				
Machinery and equipment	\$ 47,687	0	0	47,687
Less accumulated depreciation	30,751	1,875	0	32,626
Business-type activities capital assets, net	<u>\$ 16,936</u>	<u>(1,875)</u>	<u>0</u>	<u>15,061</u>

Depreciation expense was charged by the District as follows:

Governmental activities:	
Support services:	
Transportation service	\$ 7,300
Unallocated depreciation	<u>132,162</u>
Total governmental activities depreciation expense	<u>\$ 139,462</u>
Business-type activities:	
Food services	<u>\$ 1,875</u>

(6) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2008 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
General obligation bonds	\$ 1,095,000	0	165,000	930,000	170,000
Early retirement	7,536	0	7,536	0	0
Compensated absences	4,843	6,215	4,843	6,215	6,215
Total	<u>\$ 1,107,379</u>	<u>6,215</u>	<u>177,379</u>	<u>936,215</u>	<u>176,215</u>

General Obligation Bonds Payable

Details of the District's June 30, 2008 General Obligation bonds indebtedness is as follows:

Year Ending June 30,	Interest Rate	Bond issue January 1, 2004		
		Principal	Interest	Total
2009	2.90 %	\$ 170,000	29,143	199,143
2010	3.15	180,000	23,842	203,842
2011	3.40	185,000	17,862	202,862
2012	3.65	195,000	11,158	206,158
2013	3.80	200,000	3,800	203,800
Total		<u>\$ 930,000</u>	<u>85,805</u>	<u>1,015,805</u>

(7) Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by

State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.90% of their annual covered salary and the District is required to contribute 6.05% of annual covered payroll for the years ended June 30, 2008, 2007, and 2006. Contribution requirements are established by State statute. The District's contribution to IPERS for the years ended June 30, 2008, 2007, and 2006, were \$179,655, \$155,134, and \$148,180, respectively, equal to the required contributions for each year.

(8) Risk Management

The District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(9) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$178,972 for the year ended June 30, 2008 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

(10) Construction Commitments

The District has entered into various contracts for a track project and playground project. As of June 30, 2008, costs of \$412,599 have been incurred against the contract.

REQUIRED SUPPLEMENTARY INFORMATION

EAST UNION COMMUNITY SCHOOL DISTRICT
BUDGETARY COMPARISON OF REVENUES, EXPENDITURES AND
CHANGES IN BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS
AND PROPRIETARY FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2008

	Governmental Fund Types Actual	Proprietary Fund Type Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
Revenues:						
Local sources	\$ 2,474,155	111,589	2,585,744	2,703,984	2,703,984	(118,240)
State sources	2,852,537	2,693	2,855,230	2,845,533	2,845,533	9,697
Federal sources	317,361	103,226	420,587	658,633	658,633	(238,046)
Total revenues	5,644,053	217,508	5,861,561	6,208,150	6,208,150	(346,589)
Expenditures:						
Instruction	3,580,557	0	3,580,557	4,809,805	4,809,805	1,229,248
Support services	1,705,248	0	1,705,248	2,052,694	2,052,694	347,446
Non-instructional programs	0	241,932	241,932	259,603	259,603	17,671
Other expenditures	930,795	0	930,795	1,203,798	1,203,798	273,003
Total expenditures	6,216,600	241,932	6,458,532	8,325,900	8,325,900	1,867,368
Excess(deficiency) of revenues over(under) expenditures	(572,547)	(24,424)	(596,971)	(2,117,750)	(2,117,750)	1,520,779
Other financing sources, net	0	0	0	4,000	4,000	(4,000)
Excess(deficiency) of revenues and other financing sources over(under) expenditures	(572,547)	(24,424)	(596,971)	(2,113,750)	(2,113,750)	1,516,779
Balance beginning of year	2,480,129	32,347	2,512,476	2,113,750	2,113,750	398,726
Balance end of year	\$ 1,907,582	7,923	1,915,505	0	0	1,915,505

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

EAST UNION COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -- BUDGETARY REPORTING
YEAR ENDED JUNE 30, 2008

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standard Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except Private-Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions not by fund or fund type. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

OTHER SUPPLEMENTARY INFORMATION

EAST UNION COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Student Activity	Manage- ment Levy	Physical Plant & Equipment Levy	Total Special Revenue Funds	Debt Service	
ASSETS						
Cash and pooled investments	\$ 112,942	36,039	2,460	151,441	342,866	494,307
Receivables:						
Property tax:						
Current year delinquent	0	2,281	837	3,118	0	3,118
Succeeding year	0	95,000	37,831	132,831	0	132,831
Accounts	584	0	0	584	0	584
TOTAL ASSETS	\$ 113,526	133,320	41,128	287,974	342,866	630,840
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,000	0	0	1,000	0	1,000
Deferred revenue:						
Succeeding year property tax	0	95,000	37,831	132,831	0	132,831
	1,000	95,000	37,831	133,831	0	133,831
Fund balances:						
Reserved:						
Debt service	0	0	0	0	342,866	342,866
Unreserved:						
Undesignated	112,526	38,320	3,297	154,143	0	154,143
Total fund balances	112,526	38,320	3,297	154,143	342,866	497,009
TOTAL LIABILITIES AND FUND BALANCES	\$ 113,526	133,320	41,128	287,974	342,866	630,840

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

EAST UNION COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2008

	Special Revenue Funds					
	Student Activity	Management Levy	Physical Plant & Equipment Levy	Total Special Revenue Funds	Debt Service	Total Nonmajor Governmental Funds
REVENUES:						
Local sources:						
Local tax	\$ 0	95,199	34,916	130,115	0	130,115
Other	142,545	395	509	143,449	7,993	151,442
TOTAL REVENUES	142,545	95,594	35,425	273,564	7,993	281,557
EXPENDITURES:						
Current:						
Instruction:						
Regular instruction	0	47,043	0	47,043	0	47,043
Other instruction	151,538	0	0	151,538	0	151,538
	151,538	47,043	0	198,581	0	198,581
Support services:						
Student support services	0	15,071	0	15,071	0	15,071
Operation and maintainance of plant services	0	13,523	0	13,523	0	13,523
Transportation	0	0	79,571	79,571	0	79,571
	0	28,594	79,571	108,165	0	108,165
Other expenditures:						
Long-term debt:						
Principal	0	0	0	0	165,000	165,000
Interest and fiscal charges	0	0	0	0	34,578	34,578
	0	0	0	0	199,578	199,578
TOTAL EXPENDITURES	151,538	75,637	79,571	212,104	199,578	506,324
Excess (deficiency) of revenues over (under) expenditures	(8,993)	19,957	(44,146)	(24,189)	(191,585)	(224,767)
Other financing sources:						
Transfer in	0	0	0	0	184,439	184,439
Net changes in fund balances	(8,993)	19,957	(44,146)	(24,189)	(7,146)	(31,335)
Fund balance beginning of year	121,519	18,363	47,443	187,325	350,012	537,337
Fund balance end of year	\$ 112,526	38,320	3,297	154,143	342,866	497,009

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

EAST UNION COMMUNITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 CAPITAL PROJECTS FUNDS
 JUNE 30, 2008

	Capital Projects	Playground Capital Projects Levy	Total Capital Projects Funds
ASSETS			
Cash and pooled investments	\$ 172,631	7,586	180,217
Due from other governments	65,393	0	65,393
TOTAL ASSETS	\$ 238,024	7,586	245,610
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 28,501	0	28,501
	28,501	0	28,501
Fund balances:			
Unreserved:			
Capital projects	209,523	7,586	217,109
Total fund balances	209,523	7,586	217,109
TOTAL LIABILITIES AND FUND BALANCES	\$ 238,024	7,586	245,610

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

EAST UNION COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2008

	Capital Projects	Playground Capital Projects Levy	Track Capital Projects Levy	Total Capital Projects Funds
REVENUES:				
Local sources:				
LOSST	\$ 381,945	0	0	381,945
Other	10,750	6,349	43,513	60,612
TOTAL REVENUES	392,695	6,349	43,513	442,557
EXPENDITURES:				
Current:				
Instruction:	0	243	0	243
Other expenditures:				
Facilities acquisitions	337,394	0	214,851	552,245
TOTAL EXPENDITURES	337,394	243	214,851	552,488
Excess (deficiency) of revenues over (under) expenditures	55,301	6,106	(171,338)	(109,931)
Other financing sources(uses):				
Transfer in	0	0	152,741	152,741
Transfer out	(337,180)	0	0	(337,180)
Total other financing sources(uses)	(337,180)	0	152,741	(184,439)
Net change in fund balances	(281,879)	6,106	(18,597)	(294,370)
Fund balance beginning of year	491,402	1,480	18,597	511,479
Fund balance end of year	\$ 209,523	7,586	0	217,109

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

EAST UNION COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
 YEAR ENDED JUNE 30, 2008

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
PTO	\$ 1,469	0	1,469	0
MS boys basketball	595	0	23	572
MS football	823	5	35	793
MS baseball	275	90	181	184
MS boys track	671	0	313	358
MS wrestling	475	0	0	475
MS girls basketball	1,248	0	395	853
MS volleyball	240	0	4	236
MS softball	654	465	113	1,006
MS girls track	644	0	313	331
MS student council	1,540	1,191	1,414	1,317
Drama	4,496	2,514	3,542	3,468
Vocal music	18,464	9,148	9,965	17,647
Instrumental music	4,314	7,734	8,607	3,441
HS boys basketball	1,357	0	305	1,052
HS football	2,638	2,045	2,964	1,719
HS baseball	766	869	1,628	7
HS boys track	682	2,381	2,885	178
HS golf	1,151	410	541	1,020
Weight room	1,108	43	919	232
HS wrestling	866	934	1,141	659
HS girls basketball	1,451	1,682	1,946	1,187
HS volleyball	757	3,946	4,001	702
HS softball	1,386	642	1,337	691
HS girls track	1,274	2,611	2,861	1,024
HS girls golf	1,163	250	298	1,115
General athletics	34,347	28,063	25,625	36,785
Cheerleaders	2,196	1,254	1,980	1,470
Class of 2009	768	16,094	9,770	7,092
Class of 2010	588	850	196	1,242
Class of 2011	0	1,035	325	710
Class of 2008	9,938	10,270	20,208	0
Concessions	1,782	300	174	1,908
FFA	9,029	17,125	18,113	8,041
FCCLA	2,716	3,564	4,265	2,015
National honor society	84	40	84	40
Science club	1,807	753	653	1,907
Spanish club	1,289	0	0	1,289
Student council	1,407	12,011	11,514	1,904
Vocational agriculture	175	0	0	175
2007 yearbook	4,886	210	5,096	0
2008 yearbook	0	14,016	6,335	7,681
Total	\$ 121,519	142,545	151,538	112,526

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

EAST UNION COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
 ALL GOVERNMENTAL FUND TYPES
 FOR THE LAST FIVE YEARS

	Modified Accrual Basis				
	Years Ended June 30,				
	2008	2007	2006	2005	2004
Revenues:					
Local sources:					
Local tax	\$ 1,935,751	2,188,764	2,138,771	1,904,633	1,802,600
Tuition	94,981	64,103	60,448	45,634	62,243
Other	443,423	577,225	530,708	461,352	426,612
State sources	2,852,537	2,497,099	2,258,608	2,189,660	2,134,366
Federal sources	317,361	356,786	395,753	660,075	593,982
Total	<u>\$ 5,644,053</u>	<u>5,683,977</u>	<u>5,384,288</u>	<u>5,261,354</u>	<u>5,019,803</u>
Expenditures:					
Instruction:					
Regular instruction	\$ 2,188,154	1,957,053	1,861,322	1,694,655	1,660,307
Special instruction	641,748	636,887	552,802	453,198	1,111,379
Other instruction	750,655	733,997	793,753	1,063,047	304,524
Support services:					
Student services	85,589	72,179	68,461	66,868	102,410
Instructional staff services	156,977	213,212	163,014	99,174	84,091
Administration services	513,764	435,934	431,359	386,224	419,226
Operation and maintenance of plant services	455,939	371,620	355,242	331,774	321,013
Transportation services	492,979	289,201	314,779	245,561	260,617
Other expenditures:					
Facilities acquisitions	552,245	153,407	206,641	480,552	979,330
Long-term debt:					
Principal	165,000	155,000	145,000	105,000	0
Interest	34,578	41,838	47,238	51,738	560
AEA flow-through	178,972	163,035	153,606	153,203	155,177
Total	<u>\$ 6,216,600</u>	<u>5,223,363</u>	<u>5,093,217</u>	<u>5,130,994</u>	<u>5,398,634</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

NOLTE, CORNMAN & JOHNSON P.C.
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Telephone (641) 792-1910

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

To the Board of Education of the
East Union Community School District:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of East Union Community School District of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated February 16, 2009. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered East Union Community School District internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of East Union Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of East Union Community School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies and other deficiencies we consider to be material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects East Union Community School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of East Union Community School District's financial statements that is more than inconsequential will not be prevented or detected by East Union Community School District's internal control. We consider the deficiencies in internal control described in Part I of the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by East Union Community School District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe item I-A-08 is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether East Union Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2008 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

East Union Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the District's responses, we did not audit East Union Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of East Union Community School District and other parties to whom East Union Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of East Union Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.


NOLTE, CORNMAN & JOHNSON, P.C.

February 16, 2009

EAST UNION COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2008

Part I: Findings Related to the Basic Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

SIGNIFICANT DEFICIENCIES:

- I-A-08 Segregation of Duties - One important aspect of the internal control structure is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Cash receipts are issued and bank deposits are prepared by the same person. An independent person does not open the mail and prepare an initial of the checks received and later compare the listing to the receipts issued. Also, vouchers are processed, disbursements are recorded, and checks are prepared by the same person.

Recommendation - We realize that with a limited number of office employees, segregation of duties is difficult. However the District should review its control procedures to obtain the maximum internal control possible under the circumstances.

Response - For this size of District, we can't afford to hire more employees to do one or two functions.

Conclusion - Response accepted.

- I-B-08 Purchase Orders - We noted during our audit, that the District currently uses purchase orders in the purchase process, however, many of the purchase orders are actually completed after the product has been ordered and at time may be completed after the receipt of the products.

Recommendation - The advantage of using a purchase order system is that, the approval of items being purchased, are noted prior to ordering of the items. In addition, when they are approved and the purchase order is properly generated, it also, reflects on the financial records as an outstanding order, which represents the amount as an obligation against the budget. When monitoring the actual expenses, it can be a helpful tool in knowing the outstanding orders which will subsequently paid.. Therefore, allowing the person who approves the purchase orders, to have the insight of knowing, if the funding is available to make the purchase.

Although, Districts are not required to use a purchase order system, the benefits to financial management, makes the system desirable. The District current purchase order system should be reviewed and the necessary changes made, so that all disbursements are approved by the appropriated administrator, before the purchase of supplies takes place.

Response - We are going to work on making sure, there is a PO for all purchases.

Conclusion - Response accepted.

EAST UNION COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2008

Part II: Other Findings Related to Statutory Reporting

- II-A-08 Certified Budget - District disbursements for the year ended June 30, 2008 did not exceed the amount budgeted.
- II-B-08 Questionable Disbursements - We noted no disbursements that may not meet the requirements for public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- II-C-08 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- II-D-08 Business Transactions - No business transactions between the District and District officials were noted.
- II-E-08 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- II-F-08 Board Minutes - We noted no transactions requiring Board approval which have not been approved by the Board.
- II-G-08 Certified Enrollment - We noted no variances in the basic enrollment data certified to the Department of Education.
- II-H-08 Deposits and Investments - We noted no instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy.
- II-I-08 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely, and we noted no significant deficiencies in the amounts reported.